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H. RES. 933

Commending the Government of Japan for its current policy against currency manipulation and encouraging the Government of Japan to continue in this policy.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 19, 2009

Mr. DINGELL submitted the following resolution; which was referred to the Committee on Ways and Means

RESOLUTION

Commending the Government of Japan for its current policy against currency manipulation and encouraging the Government of Japan to continue in this policy.

Whereas beginning in 1998 and continuing until 2004, Japan purchased hundreds of billions of dollars in foreign currency reserves, thus driving down the value of the Japanese yen relative to the United States dollar;

Whereas direct intervention in currency markets was supplemented during that time by the Japanese government's "jawboning" about further moves to weaken the value of Japan's currency;

Whereas currency manipulation caused unfair gains in Japanese manufacturers' collective share in the United States automobile market, as well as resulted in a \$4,000 per-

vehicle cost advantage for imported Japanese vehicles over United States-made vehicles in 2006, according to the Automotive Trade Policy Council;

Whereas Toyota and Honda have indicated in annual reports that their net revenues were increased due to the exchange rate between the United States dollar and Japanese yen;

Whereas the International Monetary Fund's Articles of Agreement prohibit the use of currency manipulation as a method of gaining an unfair trade advantage;

Whereas article XV of the 1994 General Agreement on Tariffs and Trade (GATT 1994) and the Agreement on Subsidies and Countervailing Measures both suggest that currency manipulation in order to gain an unfair trading advantage would violate the intent of those agreements;

Whereas The Financial Times reported in a September 28, 2009, article that Hirohisa Fujii, the Japanese finance minister, announced Japan would not intervene to stem a recent rise in the value of the Japanese yen; and

Whereas The Financial Times reported in an October 26, 2009, article that Haruhiko Kuroda, president of the Asian Development Bank, said "China, Japan, and other east Asian countries must have 'serious' talks on currency cooperation to prevent a recurrence of violent fluctuations": Now, therefore, be it

- 1 *Resolved*, That the House of Representatives—
- 2 (1) commends the Government of Japan for its
- 3 recent reversal in policy pertaining to currency ma-
- 4 nipulation; and

1 (2) encourages the Government of Japan to
2 maintain this new policy, thereby conforming to its
3 responsibilities as a member of the International
4 Monetary Fund and the World Trade Organization,
5 as well as promoting free and fair international
6 trade.

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